



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY FORCES COMMAND
1777 HARDEE AVENUE SW
FORT McPHERSON, GEORGIA 30330-1062

AFLG-PR

27 FEB 2002

MEMORANDUM FOR ALL FORSCOM DOCS

SUBJECT: Contracting Information Letter (CIL) 02-09, Reverse Auctioning Guidelines

1. With the rapid growth of Internet use in the commercial marketplace, consumers and sellers are increasingly connecting via electronic commerce (e-commerce) means. One popular use of the Internet is the auctioning of goods, in which an item is offered for sale and potential buyers are invited to place on-line bids until the auction concludes. As in a traditional auction, buyers are instantly informed of the "going price" and can decide whether or not to remain in the competition. The opposite of this buying/selling strategy is termed "reverse auctioning." The purpose of this CIL is to provide information on the use of this innovative tool in government contracting.

2. What is Reverse Auctioning?

(a) Reverse Auctioning (RA) is a technique in which multiple suppliers compete online by bidding the price down to win the buyer's business. Reverse Auctioning is an iterative process, which means that vendors can continue to submit lower bids until the auction concludes. Prior to the Information Technology Management Reform Act (ITMRA), the Federal Acquisition Regulation (FAR) prohibited the use of auctioning, as it is not acceptable to disclose the pricing and identity of bidders in an effort to obtain lower prices. With the passing of the ITMRA and the FAR rewrite, the Government may utilize the commercially accepted practice of RA to determine the lowest available price. However, the identity of the offerors competing in a reverse auction must remain anonymous. Therefore, each competitor is assigned an alias, such as "Vendor 1" or "Vendor 2."

(b) Reverse Auctioning is not a solicitation method, but rather a pricing tool that may be used in conjunction with an Invitation for Bid, Request for Quotation or Request for Proposal. The use of RA does not circumvent regulatory and policy requirements or radically change the acquisition process. Standard acquisition procedures, such as synopsis when required, must be followed as always. However, it must be noted that the FAR does not currently address the RA concept. Therefore, sound business judgment must be applied to use the technique in a sensible manner without violating any regulations during the process. Because RA is a "real time" pricing tool, the greatest benefit is the probable realization of the lowest market price currently available.

3. When is Reverse Auctioning appropriate? Consider the following when selecting requirements for RA:

(a) The RA tool is only a method of obtaining vendor pricing and will not serve as a forum for any discussions or verbal exchanges between the Government and the participating vendors. Therefore, specifications should be firm, well-defined and relatively non-complex. Commercial items with standard specs are the obvious choices. Any questions and answers regarding specifications must be addressed prior to the RA date. The need for additional information from the vendor (other than prices) should be minimal, as set forth in FAR 15.403-3(b). Terms of delivery must also be clear.

(b) Competition is an absolute must in order to achieve benefits from RA. Generally, at least three participating vendors are needed to conduct a productive RA session. Market research is essential to assess the marketplace and determine if there are multiple vendors who are eager to win the business.

(c) The acquisition should present the potential for achieving savings through RA, in consideration of the time, effort and possible costs of conducting the auction. Products and services with dynamic, market-driven pricing are the best candidates. To achieve the greatest cost benefits and economies of scale, the quantity and dollar value should be significant.

(d) The RA tool is best suited for acquisitions that will result in a Firm-Fixed-Price Contract. In its simplest form, award will be made to the lowest priced offeror who meets all required specifications. A "two-step" method, similar to that described in FAR Part 14, may also be used. First, a technical and/ or past performance capability determination is made ("Go/ No Go") and then RA is conducted among those offerors who are acceptable. Even the best value continuum may present opportunities for RA with a three-phased approach. The first phase would be somewhat traditional, with evaluations and a competitive range determination. The second phase would be the RA to determine the offerors' best pricing. Finally, the third phase would be the trade-off analysis and best value decision.

(e) Generally, the customer will have some knowledge of the market conditions surrounding the requirement. Educate the customer about the RA process and get concurrence that RA is a smart thing to do in meeting their needs.

(f) Small business set-asides are encouraged and possible through RA. Participating vendors need only have a web browser.

(g) RA is effective for competition among GSA schedules or Blanket Purchase Agreement vendors.

4. What technology is needed to conduct a Reverse Auction?

Organizations could choose to acquire needed software and conduct RAs independently, but this option is not deemed cost-efficient at this time. Therefore, RAs are conducted using commercial providers referred to as “Enablers.” Numerous Enablers are available with a variety of fee structures.

In 2000, the U.S. Army Communications-Electronics Command (CECOM) established an Electronic Reverse Auctioning Project Team that was tasked to assess available technology and create a tool for auctioning. A reverse auction site was subsequently developed and made available free of charge to the entire Army contracting community. The original reverse auction site, licensed by Frictionless Commerce Inc., was used to compete numerous Army acquisitions, including two FORSCOM actions. In February of 2002, CECOM launched a new reverse auction site with increased functionality. This new tool, which is licensed by the vendor, MOAI, offers multiple line item and weighted scoring (best value) reverse auctioning capabilities and will allow users to create and save auction templates. The direct link for the new “US Army Auction and Valuation Engine” site is <http://army.completesource.moai.com:81>. The CECOM Interactive Business Opportunities Page (IBOP) site, <https://abop.monmouth.army.mil>, also has a link to the RA tool. Please be aware that CECOM is currently customizing the tool and minor changes will be made over the next few months to enhance the site’s ease of operation. Further guidance will be disseminated as experience is gained.

5. What are the basic steps for conducting a Reverse Auction? The guidance set forth below is tailored to the CECOM RA tool. If a Directorate of Contracting (DOC) elects to use the services of another Enabler, the Contracting Officer must coordinate with that vendor to verify the procedures that will be used. Remember...all usual acquisition regulations and required procedures still apply!

(a) Become familiar with the MOAI reverse auction site. Passwords for the site are managed by CECOM and can be obtained from the POCs listed at the site. When planning to conduct a reverse auction, please inform the PARC POC provided at the conclusion of this CIL. The PARC staff is available to provide any needed assistance and will view all FORSCOM auctions as they occur.

(b) Conduct market research to confirm that the selected requirement is a good candidate for RA and that industry is interested in participating. A sample specification is provided at Enclosure 1.

(c) Select a date and time. Also, establish the minimum time that the auction will run. Thus far, 30 minutes has been the typical auction length. Rules for extensions must be set. Typically, unlimited five-minute extensions are allowed. Thus, if a bid is

received within five minutes prior to the scheduled auction conclusion, the auction is extended for an additional five minutes. If there is bid activity within this time frame, the auction remains open an additional five minutes, and so on. Historically, auctions have not run for unreasonable periods of time, as the best market price is eventually reached. Consider the time zones of all participating vendors when selecting a time. Also, please be aware that CECOM (East coast) monitors each event so that assistance will be available in the event that technical difficulties occur. Therefore, auctions should fall within 8:00 am to 4:30 pm EST, and should be scheduled using EST.

(d) Based upon the Government estimate, market research and historical information, establish the maximum price the Government is willing to pay. This becomes the starting auction price and cannot be “bid up.” If no bids are placed, the auction concludes without a winner. Also, set the minimum price decrement (decrease) for submitting bids (e.g., vendors must place a bid that is at least \$100 dollars less than the current bid).

(e) If a synopsis is required, be sure to include the intent to use RA. A combined synopsis/solicitation may be utilized to provide instructions if appropriate in accordance with FAR 12.603. If a solicitation will be issued, include RA instructions in the package. If neither a synopsis nor solicitation will be used, send letters/email to vendors to invite their participation in the RA and provide the specifications. Sample instructions are provided at Enclosure 2. Whatever method is used, be sure to include a statement that, by participation in the auction, offerors understand and agree that their pricing, but not their identity, will be revealed to competitors.

(f) Each DOC should designate one individual who will serve as the primary expert for scheduling and conducting RAs through the CECOM RA site. This person will receive telephonic instruction from CECOM, and then be responsible to train others in the DOC. Please note that the training needed is minimal, but assigning an “expert” will alleviate the need for the CECOM POC to repeat the same instructions to multiple individuals within a DOC.

(g) Vendors who are selected to participate in an auction must also be registered with the site. To obtain multiple passwords, a form is provided at Enclosure 3 that can be completed and forwarded to the CECOM POC. Require submission of applicable vendor certifications before the auction date. If a phased approach is planned, receive initial proposal packages and conduct evaluations. Set the “competitive range” for participation in the auction. *Prior to auction date, confirm details (in writing) with vendors who have expressed intent to participate.* Ensure that vendors receive their passwords and have adequate time to become comfortable with the reverse auction site. If needed, CECOM will also assist in training vendors. Confirm the date, time

(EST) and any other pertinent details. Resolve any specification issues before the auction.

(h) On the day and time, monitor the reverse auction on the RA site. Bidders will be anonymous and identified as "Vendor 1," "Vendor 2," etc., though the DOC will be provided the identities of the vendors in advance. At the conclusion of the auction, the Contracting Officer must proceed to determine price reasonableness, contractor responsibility, etc. as usual and then issue the contract/order. If a vendor alleges a Mistake in Bid, resolve in accordance with FAR 14.307.

6. As previously mentioned, Enablers other than the CECOM RA link are available to conduct auctions. One of these is Buyers.Gov, which is managed and administered by the GSA Federal Technology Service (FTS), and is an "eGovernment" site that is piloting auctioning and aggregating capabilities. Buyers.Gov offers three types of procurement tools as briefly summarized below. Additional information is available at the website, www.buyers.gov, including general reverse auctioning guidance and answers to frequently asked questions.

(a) Private Auctions: GSA FTS has contracted with five Enablers who may be used to conduct RAs using the same basic principles discussed above. Varying fees are charged for using this service. The contracting activity (DOC) issues the resulting contract/purchase order.

(b) eFAST: A large percentage of Government procurements are at or below the micropurchase threshold. Aggregation is the process of combining many of these small purchases into one large order, which results in better prices and reduced administrative ordering costs for both the Government and contractors. The eFAST tool takes advantage of both aggregation and RA by focusing on a limited variety of products and offering these items for purchase at various intervals. In an eFAST event, a particular product is made available for purchase at a posted price. As more buyers purchase the item, the price decreases. At the conclusion of the auction (usually several days), all buyers receive the product at the final auction price, regardless of when the purchase commitment was made. Interested buyers can sign up to receive notice of upcoming auctions or even initiate an aggregation event. During this pilot stage, eFAST awards will be made solely to GSA schedule holders and a 1% fee is associated with using the schedule. The Enablers contracted by Buyers.Gov also charge varying fees. The Enablers are responsible to schedule and conduct the events and manage registration of both buyers and GSA suppliers. The resultant award is executed by GSA personnel and thus payment for eFAST purchases must be made by credit card or Military Interdepartmental Purchase Request (MIPR).

(c) Quick Quote: This tool is under development and not currently available for use, but is intended to allow buyers to issue a Request for Quote and received quotes

AFLG-PR

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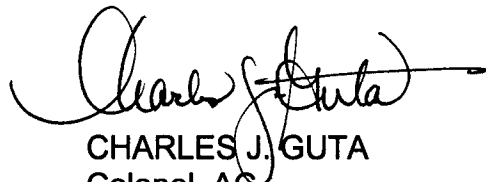
from selected sources of supply. Quick Quote will also enable buyers to generate a list of commodities with a "shopping cart" and then transfer selections to a private auction for procurement.

7. The use of RA is accepted within Government contracting and has been utilized a number of times by the Army. Within FORSCOM, two reverse auctions have been conducted to date. Fort Hood, TX first used this initiative in August '00 for ADP equipment and successfully obtained a 10.67% savings (initial bid/final price). Fort Campbell, KY tested the technique in September '00, also for ADP equipment. In this instance, the final price was the same as the initial bid and thus the event was termed neither a success nor a failure. As more RAs are conducted, additional tips and lessons learned will be collected and shared. To assist in this process, DOCs are requested to complete and submit the questionnaire at Enclosure 4 within five working days of conducting a RA.

8. The Air Force site, www.safaq.hq.af.mil/contracting/reverseauction/, is also a good source of information when preparing to conduct a RA.

9. For additional information or questions, contact Ms. Laura Eichhorn, DSN 367-6276 or commercial 404-464-6276. Email address is Laura.Eichhorn@forscom.army.mil.

4 Encls
as



CHARLES J. GUTA
Colonel, AC
Chief, Contracting Division DCSLOG
Principal Assistant Responsible
for Contracting

MINIMUM SALIENT CHARACTERISTICS OF THE CPU

Mid Tower ATX Case

Intel Pentium III 650 MHz Processor, or compatible

8 GB IDE Hard drive

128 MB RAM

SCSI II Adapter Card (for use with SCSI II DVD Drives already on hand)

16 AGP Diamond Stealth Video Card (or equivalent)

USB Ports

32 Bit Sound Card (or integrated on motherboard)

3.5" Floppy Drive

Zip Internal 250 MB Drive

Generic Speakers

Microsoft Keyboard (standard)

Intellimouse (optical)

Windows 98 Second Edition OEM Operating System

Standard 3 year Warranty, with 1st year on site and 2nd and 3rd year parts and labor included.

CPU Manufacturer must be a Tier I or II Manufacturer

CPU MUST BE COMPATIBLE WITH the following equipment currently on hand, which will be installed by systems personnel on site::

DVD/CD ROM drives (SCSI II)

10/100 Acer PCI Network Interface Cards

Monitors and printers

Complete Systems to be used as workstations on a Windows NT Server Network

SHIPPING REQUIREMENTS: FOB DESTINATION

DELIVERY REQUIREMENTS: Must be received No Later Than 29 September 2000

All Bids are Binding. The Reverse Auction will begin on August 29th at 1:30 p.m. Eastern Time and be closed at 2:00 p.m. Eastern Time, if no bid is received within 5 minutes prior to closing. If any bid is received within 5 minutes of the stated closing time, the auction will continue past the stated closing time until a period of 5 minutes (300 seconds) has elapsed since receipt of the last bid, at which time the Auction will officially be closed.

AFZF-CC-CD

Vendor Name
ATTN:
Vendor Address

Dear Mr./Ms. Vendor:

We would like your company to participate in Fort XYZ's Reverse Auction Pilot Test Program. This reverse auction will take place at the U.S. Army's Interactive Business Opportunity Page (IBOP) web site. The web address for this site is abop.monmouth.army.mil. We will be purchasing 40 computer processing units (CPUs). The product specification for these CPUs will be made available on the web site, and can be emailed if requested.

We must inform you that during the reverse auction, the bid prices will be monitored by all participants in the auction. However, your company's identity will not be disclosed to the other offerors until after the auction is closed. The prices resulting from this auction are firm, and they will be incorporated into a contractual document.

All companies involved in this pilot test are General Service Administration Schedule holders. These companies are classified as either a small or a small disadvantaged business.

If you would like to participate in this pilot test, please send an email confirmation to Ms. Contract Specialist at contract.specialist.army.mil, advising of the Name, Company Name, Address, and Phone number of the person who is authorized to bind your company. This person will be registered as a Seller for purposes of participating in this Reverse Auction at the web site indicated. Ms. Contract Specialist will assure that each participant is registered. It is anticipated that this Reverse Auction will take place on Tuesday, August 29th at 1:30 p.m. Eastern Time Zone (12:30 p.m. Central Time Zone), and all participants must be registered prior to that time.

We thank you in advance for your cooperation. Please contact Ms. Contract Specialist for any further information.

Sincerely,

Mr./Ms. PCO
Contracting Officer

Encl 2

DIGITIZATION SYSTEM
FORT CAMPBELL, KY
REVERSE AUCTION

1. Fort Campbell is in the process of developing a digitization system for the historical archives of the 101st Airborne Division (Air Assault) and Fort Campbell, Kentucky.
2. This is a completely integrated system. The system consists of:
 - a. Three separate computer work stations (one for photos, one for documents and the third for final edit and Q/A);
 - b. A film, negative and photo scanner;
 - c. color flatbed scanner;
 - d. document scanner with automatic feed tray;
 - e. a small color inkjet printer; mid-range color/b&w printer (up to 11" x 17");
 - f. two servers with raid configuration;
 - g. all cabling and software;
 - h. battery backups;
 - i. installation;
 - j. on-site and off-site training;
 - k. maintenance packages;
 - l. 3-year warranties are to be included into bidding package.
3. **The bidders are to ensure all components are engineered and integrated for maximum performance (see the item specifications listed below).**
4. Bidders are to bid on the complete system and no partial bids will be accepted. **The bidders are to provide the name brand item or items equal to or better than the listed items.** Literature must be furnished *prior* to award confirming that item(s) meet the name brand or equal requirement.

SPECIFICATIONS FOR DIGITIZATION SYSTEM
FORT CAMPBELL, KY

ALL OR NONE				
NAME BRAND OR EQUAL				
ITEM #	MANUFACTURER	ITEM DESCRIPTION	QTY	UNIT PRICE
01	HEWLETT PACKARD	HP KAYAK XM600 MT 800EB 9.1/128R G400 W2/U.S. – ENGLISH LOCALIZATION FILM AND NEGATIVE SCANNING WORKSTATION.	1	
	P1651T#ABA	NAS5-96009-DP (NASA SEWP II)		
02	HEWLETT PACKARD	HP 128MB NON-ECC RDRAM	1	
		HIGHEST AMOUNT ACCEPTABLE		\$70,000.00

REVERSE AUCTION INSTRUCTIONS

a. Fort Campbell has teamed with the US Army Communications & Command (CECOM) to conduct the reverse auction for this requirement. The web address to gain access to the auction is <https://abop.monmouth.army.mil/> (click on the "US Army Auction/Reverse Auction" link). Fort Campbell will conduct a competitive, anonymous, online reverse auctions for the above requirements. By offering products and services through this auction, offerors certify their GSA FSS products and services are in compliance with the above requirements.

b. The offerors shall contact Ms. June Gowen, 270-798-7828, to receive a username and password if you do not have one for the reverse auctioning tool. **If you have technical questions during the reverse auction contact** Ms. Jennifer Flatley at (617) 495-0180 x353 or kirsten Taylor (617) 495-0180 x428.

c. Submission of an offer during the reverse auction will be considered consent by the Offeror to participate in the reverse auction and to reveal their prices in anonymity during the reverse auction. The Contracting Officer also reserves the right to suspend or cancel the reverse auction at any time. If the Contracting Officer cancels the reverse auction, the order may be processed through normal GSA procedures.

d. Once the reverse auction is complete, the low offeror will be contacted by the Contracting Officer for award execution procedures. Offers must propose on a full quantity only. Prices entered on the web site during the reverse auction are considered a lot price. Ensure you complete all required blanks on the web site prior to submitting an offer and check the appropriate boxes. Offerors will not submit revised pricing via any other mechanism including but not limited to post, courier, fax, E-mail, or orally unless specifically requested by the Contracting Officer.

e. The reverse auction will be conducted on 13 September 2000 starting at 1:30 pm, eastern standard time. Electronic offers shall be submitted by Offerors during the reverse auction period. If an offer is submitted within the last five minutes, as indicated by the Army web site server clock, of the time period specified for the reverse auction closing time, the time period shall be extended for an additional five minute period beyond the time of the original closing time. **An offer during the reverse auction must differ from the market leading offer by at least a decrement of \$100. If no offers are submitted within the extension period the reverse auction will close i.e., within the last five minutes of the original scheduled closing time. Further, if an extension period is generated and an offer is submitted at any time within the extension period another five extension period will be generated. There will be no limits on the number of extensions in each reverse auction, the market price will be the determining factor in closing the reverse auction.** When no offers are submitted during the extension period then the auction will close.

f. By participating in the reverse auction, offerors certify the only knowing disclosure by the Offeror of its prices to any other Offeror will be during the reverse auction. The Offeror further certifies that disclosure by the Offeror of its prices during the reverse auction shall not be for the purposes of restricting competition.

5th Signal Command Reverse Auction

The specific reverse auction period and decrement for the requirement will be identified on the Army web site (<http://abop.monmouth.army.mil>). Electronic offers shall be submitted by offerors during the reverse auction period. If an offer is submitted within the last five minutes, as indicated by the web site server clock, of the time period specified for the reverse auction closing time, the time period shall be extended for an additional five minute period beyond the time of the original closing time. **An offer during the reverse auction must differ from the market leading offer by at least the decrement identified on the Army site.** If no offers are submitted within the extension period the reverse auction will close i.e., within the last five minutes of the original scheduled closing time. Further, if an extension period is generated and an offer is submitted at any time within the extension period another five minute extension period will be generated. There will be no limits on the number of extensions in each reverse auction, the market price will be the determining factor in closing the reverse auction. When no offers are submitted during the extension period then the auction will close.

By participating in the reverse auction, offerors certify the only knowing disclosure by the offeror of its prices to any other offeror will be during the reverse auction. The offeror further certifies that disclosure by the offeror of its prices during the reverse auction shall not be for the purposes of restricting competition.

Variation in Quantity the Army reserves the right to order a quantity up to 20% more or less than the total listed quantity (40 units) at the final reverse auction price. Shipping terms are same as for the basic quantity.

II. BASIS FOR AWARD

At the conclusion of the reverse auction, the Government intends to make award to the technically acceptable low-priced, responsible offeror. Offerors may exceed the stated minimum requirements; however, the Army will not pay more for these features. Offers are evaluated for acceptability, but not ranked using the non-cost/price factors i.e. past performance, product features, warranty, etc. The successful offeror must propose on all items identified in the requirement to be eligible for award. Award will be made to the responsible offeror proposing the lowest aggregate price as designated above. The Contracting Officer reserves the right to make no award under this procedure. The Army will then execute a Delivery Order off of the apparent successful offerors GSA contract. The apparent successful offeror shall identify the GSA vehicle to be used at the conclusion of the auction to Ms. Martie Hicks, (hicksm@hq.5sigcmd.army.mil).

ACC INFORMATION TECHNOLOGY REVERSE AUCTION

I. INSTRUCTIONS

- a. Air Combat Command will conduct competitive, anonymous, on-line reverse auctions for three separate requirements (attachments 1, 2, and 3). The specific time for each reverse auction is identified on the appropriate attachment and on the Army web site (<https://abop.monmouth.army.mil/>). The reverse auction will be limited to existing AFWAY Channel Partners (hereafter referred to as "offerors") providing CIO compliant technology in accordance with the terms and conditions of their GSA Federal Supply Schedules (FSS) or CIT-PAD BPAs under the authorities of FAR 8 and FAR 15.101-2 -- Lowest Price Technically Acceptable selection procedures. By offering products and services through this auction, offerors certify their GSA FSS products and services are in compliance with AFWAY's Computer Channel Partner Requirements document and the Form, Fit, Function Technical Architecture (F3TA) requirement identified with each feature. Offerors agree to meet each of the F3TA requirements and only offer items that meet or exceed these requirements.
- b. ACC has teamed with the US Army Communications & Command (CECOM) to conduct the reverse auctions. The web address to gain access to the auction is <https://abop.monmouth.army.mil/>. The offerors shall contact Maj Kevin Johnston on 757-764-3815 to receive a username and password if you do not have one for the reverse auctioning tool. If you have technical questions during the reverse auction contact the Frictionless Commerce Help Desk, Ms. Jennifer Flatley at (617) 495-0180 x353 or Kirsten Taylor (617) 495-0180 x428.
- c. During the reverse auction, offerors may revise their initial pricing proposal through submission of electronic offers. Offerors, however, **are not required** to revise their initial pricing proposal during the reverse auction. Submission of an offer during the reverse auction will be considered consent by the offeror to participate in the reverse auction and to reveal their prices in anonymity. The Contracting Officer also reserves the right to suspend or cancel the reverse auction at any time. If the Contracting Officer cancels the reverse auction, the order may be processed through AFWAY or via Delivery Order following normal procedures.
- d. Offerors will submit revised pricing only through the online web site specified in paragraphs (a and b) above. Offerors are directed to **not respond** to these orders in AFWAY until the **completion** of the reverse auction. If applicable, once the reverse auction is complete, the low offeror will respond in the AFWAY system to the appropriate order number with the final price and features submitted during the reverse auction. Offers must propose on the full quantity only. Prices entered on the web site during the reverse auction are **unit prices**. Ensure you complete **all required blanks** on the web site prior to submitting an offer and check the appropriate boxes. Offerors will not submit revised pricing via any other mechanism including but not limited to AFWAY, post, courier, fax, E-mail, or orally unless specifically requested by the Contracting Officer.

e. Each reverse auction will be conducted 3 Aug 00. The specific reverse auction period for each requirement will be identified on the Army web site. Electronic offers shall be submitted by offerors during the reverse auction period. If an offer is submitted within the last five minutes, as indicated by the Army web site server clock, of the time period specified for the reverse auction closing time, the time period shall be extended for an additional five minute period beyond the time of the original closing time. **An offer during the reverse auction must differ from the market leading offer by at least the decrement identified on the Army site for all three reverse auctions.** If no offers are submitted within the extension period the reverse auction will close i.e., within the last five minutes of the original scheduled closing time. Further, if an extension period is generated and an offer is submitted at any time within the extension period another five minute extension period will be generated. There will be no limits on the number of extensions in each reverse auction, the market price will be the determining factor in closing the reverse auction. When no offers are submitted during the extension period then the auction will close.

f. By participating in the reverse auction, offerors certify the only knowing disclosure by the offeror of its prices to any other offeror will be during the reverse auction. The offeror further certifies that disclosure by the offeror of its prices during the reverse auction shall not be for the purposes of restricting competition.

II. BASIS FOR AWARD

a. At the conclusion of the reverse auction, the Government intends to make award to the technically acceptable low-priced, responsible offeror. Offerors may exceed the stated minimum F3TA requirements; however, the AF will not pay more for these features. Offers are evaluated for acceptability, but not ranked using the non-cost/price factors i.e. past performance, product features, warranty, etc. The offeror must propose on all items identified in the requirement to be eligible for award. Award will be made to the responsible offeror proposing the lowest aggregate price as designated above. The Contracting Officer reserves the right to make no award under this procedure.

3 Attachments:

1. Reverse Auction Requirement #1
2. Reverse Auction Requirement #2
3. Reverse Auction Requirement #3

Request for Passwords
Use this form to request passwords for the US Army Auction Site

Organization:	
Contracting Officer	Contract Specialist:
Name: Telephone: Address: Email Address: Need a password: YES	Name: Telephone: Address: Email Address: Need a password: YES
Vendors Needing Passwords	
Contractor: Address: POC: Telephone: Email:	Contractor: Address: POC: Telephone: Email:
Contractor: Address: POC: Telephone: Email:	Contractor: Address: POC: Telephone: Email:
Contractor: Address: POC: Telephone: Email:	Contractor: Address: POC: Telephone: Email:

Reverse Auction Lessons Learned

1. Description of item purchased.
2. Did your procurement involve a phased approach or factors other than “low price meeting specifications”? If so, please explain.
3. What was the quantity? Were attempts made to consolidate requirements to provide economies of scale? Did any of the vendors comment on the quantity size (i.e., not a large enough quantity to justify their time and effort, very happy with the quantity size)?
4. What was the reverse auction starting unit price and how did you decide upon that figure (i.e., GSA schedule price, OEM price list)?
5. What reverse auction price decrement did you use and what was your rationale for selecting this amount?
6. What was the final reverse auction price and were you satisfied with it?
7. What was original length of the auction?
8. What kind of bidding activity occurred (i.e., did the bids occur on a regular basis throughout the whole time period, were the bids infrequent, or did most of the bidding occur at the end of the specified time)?
9. Were there extensions beyond the originally scheduled auction time period? If so, how many and how long did the auction actually last?

Reverse Auction Lessons Learned

10. How did you select vendors to participate? What were their business sizes?
11. Did any initially selected vendor choose not to participate? If so, did they provide a reason?
12. What feedback did you receive from your participating reverse auction vendors regarding their satisfaction with the process? Would they participate again?
13. Did preparing for the auction require an excessive amount of time or was it reasonable?
14. Overall, were you satisfied with the auction process and do you feel that it offers benefits over traditional methods of obtaining prices?
15. Will you use reverse auctioning again? Why or why not?
16. What additional support is needed, from PARC or CECOM IBOP personnel, to improve RA process? Any other improvements to suggest?